

**Idaho Board of Health and Welfare  
Minutes  
February 18, 2010**

The Board of Health and Welfare convened at:  
Pete T. Cenarrusa Bldg.  
450 W. State Street  
Boise, Idaho 83720

**Board Members Present**

Richard Roberge, M.D., Chairman  
Janet Penfold, Vice Chairman  
Richard Armstrong, Secretary  
Dan Fuchs  
Quane Kenyon  
Darrell Kerby  
Stephen Weeg  
Tammy Perkins

**Staff Present**

Drew Hall, Deputy Director, Family and Welfare Services  
Richard Schultz, Deputy Director, Health Services  
David Taylor, Deputy Director, Support Services  
Betty Mills, Special Assistant to the Board  
Jeanne Goodenough, Deputy Attorney General-Human Services  
Tamara Prisock, Human Resources Program Manager  
Tom Shanahan, Public Information Manager

**Call to Order**

Following proper notice in accordance with Idaho Code Section 67-2343 and pursuant to call by the Chairman, the meeting of the Idaho Board of Health and Welfare was called to order by Dr. Richard Roberge, Chairman of the Board, at 8:07 a.m. Thursday, February 18, 2010, at the Pete T. Cenarrusa Bldg., 450 W. State Street, Boise, Idaho.

**Roll Call**

Richard Armstrong, Secretary, called the roll. Roll call showed eight members present. Absent and excused were Tom Stroschein, Senator Patti Anne Lodge and Representative Sharon Block. With six voting members present, Chairman Roberge declared a quorum.

**Public Comment Period**

Chairman Roberge opened the floor for public comment. There was none, the Board advanced to the next order of business.

## **ADOPTION OF MINUTES FROM BOARD MEETING ON NOVEMBER 19, 2009**

Motion: Stephen Weeg moved that the minutes of the November 19, 2009 Board meeting be adopted as prepared.

Second: Quane Kenyon

Vote: Ayes: Fuchs, Kenyon, Kerby, Penfold, Roberge, Weeg – 6  
Nays: None

Motion Carried.

## **LEGISLATIVE APPROVAL OF RULES**

Tamara Prisock stated 43 rules dockets were presented to the Legislature. The Day Care Rule was approved by the Senate, but rejected by the House and since it was a Fee Rule, it did not pass. The Family and Community Service Division are working on the objections and will submit the rule with changes in July. We will continue to license Day Care facilities to the law that was past last year. We will license to the statute that is currently standing and we are obligated to enforce. The two Katie Becket Rules pertaining to cost sharing are still under review with the House.

## **HEALTH SERVICES REPORT**

The Behavioral Health Transformation Workgroup made recommendations to regionalizing the departments Mental Health Services.

## **BLACKWELL LETTER**

A letter from a constituent was sent via e-mail and regular mail to each board member and Director Armstrong. The constituent expressed concern regarding the Department of Health and Welfare's decision on a child currently in foster care. There was discussion between the board and the Departments staff, pertaining to this case.

## **DIRECTOR'S REPORT**

Director Armstrong spoke with Wayne Hammond, Administrator of the Division of Financial Management who met with leadership of JFAC asking specific questions pertaining to the SFY 2010 Supplemental of \$14 million, submitted in the Governor's budget proposal to JFAC, for the Department of Health and Welfare. Mr. Hammond was informed the Supplemental will not be funded. The CAT Board will be funded a \$14 million supplemental. The Director stated that if JFAC would have funded the supplemental of \$14 million to Health & Welfare, the Department would have been close to implementing a plan to meet the cuts needed to balance the budget for SFY 2010.

The Department is in an immensely difficult financial situation, and is very active in seeking out solutions for the budget deficit. Director Armstrong has opened conversations with the Hospital Association. Health & Welfare knows in the General Fund, there is either a \$28,000,000 or \$48,000,000 budget problem for SFY 2010. In SFY 2011 it multiplies out to about \$67,000,000 with the carryover, case count and inflation that is anticipated to hit Health & Welfare in SFY 2011.

Health and Welfare needs to be able to save roughly \$67,000,000 out of the Medicaid budget. The hospitals represent approximately 1/3 of spending. The hospitals are working with Health and Welfare

to find a solution. The Department is developing a Memorandum of Understanding. The Hospitals are voluntarily going to increase their assessment by approximately \$18,000,000. By doing this, the department will be allowed to bring down the federal dollars, and in effect will avoid \$25,000,000 in General Fund demand for Medicaid.

Health and Welfare will need to reduce benefits in Medicaid's Trustee and Benefits area. There will be a number of adult medical assistance programs that will no longer be available due to cuts the Department of Health and Welfare will be required to make in order to meet the proposed SFY 2010 budget. The Department will stop paying claims for Medicaid in 30 days. There are many hospitals whose main revenue comes from Medicare and Medicaid patients.

Director Armstrong stated the Legislature will be requiring a reduction in force. This means there will be personnel reductions within the Department. The Department is unsure at this point of the extent of the reductions but know it will be part of the overall cuts required to meet the budget. With these cuts in mind, some services now being provided at our State Hospitals will need to be reduced. There will not be sufficient staff to care for certain programs which in turn means patients will be turned away. This will cause immense turmoil and hardship on the patients as well as the community.

Employees have been required to take Furlough days. 36,000 hours were needed to be furloughed in order to meet the 1.6% reduction in staff. Approximately 10,000 Medicaid applications will not be processed during this time, due to these reductions. This works out to approximately one month worth of lost work from employees.

Health & Welfare Board members requested a facts sheet be provided to each of them so they could have the knowledge to be able to actively be involved in speaking to members of the JFAC committee. The Board wants to encourage JFAC members to approve the Departments \$14 million supplemental. A Logic For Supplemental Choice fact sheet was provided for each Board member as requested.

Motion: Stephen Weeg moved that the Idaho Board of Health and Welfare support the reimplementation of the 2010 \$14 million supplemental.

Second: Quane Kenyon

Ayes: Kenyon, Weeg

Nays: Fuchs, Kerby, Penfold, Roberge

Motion defeated

Director Armstrong will meet with Governor Otter later today to discuss and explain in detail how serious the situation for Health & Welfare is and how it will impact the Department.

#### **POTENTIAL HOLDBACK REDUCTIONS SUMMARY**

Deputy Director Dave Taylor presented the Department of Health and Welfare Potential Holdback Reductions Summary for SFY 2010. Dave stated that \$16.8 million is the estimated reduction target. These are new reductions on top of what the Department has already experienced in 2010. The total dollar amount we are looking at is approximately \$32 - \$34 million. The Department is basing their

projection on the \$69 million reduction in the General Fund Revenue Projection. There has been a 2% personnel reduction, which was recommended by Governor Otter, that the Department has met through furloughs. Dave stressed the fact that the Federal Funds shown here are only estimates and could possibly be short as far as the Federal impact. Dave also clarified to the Board that the actions being taken by the Department to meet the budget short fall, achieve one time savings for 2010. The Department is expecting these hold backs/budget reductions to be On-Going. 90% of what is being presented in this summary of Department cost cutting measures is a One-Time reduction. The Division Administrator will need to come up with an On-Going Plan to address the 2011 reductions.

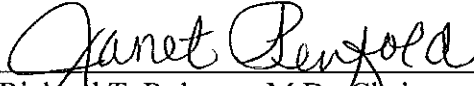
- **Division of Health** - Target was \$230,800. Most of this amount is met with One-Time Reduction. The Department is offering One-Time money to get us to 2010. The Department is assuming the revision coming this week will be ongoing. The Division Administrators have come up with funds to meet this years budget needs. State revenue numbers have come into question. New numbers have been received and JFAC has accepted the new lower numbers. Some of the Legislators do not believe things are as bleak as they are.
- **Division of Welfare** – Target was \$610,500. \$500,000 One-Time return in General Funds due to a low bid on scanning documents. This Division received \$750,000 in funds that required qualifications be met. Due to our current situation, and the need to lay off employees, we will not be able to meet these qualifications and will need to return these funds. At the time the Division of Welfare submitted this proposal, they were looking at being able to maintain service levels at the level they are currently at. Welfare is now looking at approximately 35% reduction in staffing to meet the 2011 budget.
- **Division of FACS** – Target was \$1,288,700. Savings has come by not filling management positions. There is a possibility of this impacting the requirements FACS has for meeting Government Standards. Legislature has brought up the closing of ISSH. From all aspects of this recommendation, it has become very clear this would not affect FY 2010 or FY 2011. There would need to be Legislative changes in order to begin moving clients out of ISSH and into the community settings and locating providers who would be able to take in these patients. The Department is going to need to add back in some of the waiver services in order to move this through CMS. Payments would be the same rate in a community home as a facility. Infant & Toddler Program is showing a \$133,000 reduction. The Department will probably be looking at totally discontinuing this program since it does not have any restrictions to disallow them from doing this. In the Foster & Assistance Program, the Department can reduce the assistance given to Foster Homes but can not eliminate it.
- **Division of Medicaid** – Target is \$11,291,800. As mentioned by Director Armstrong, the Department will need to withhold payments to Medicaid. If the Department does not certify the MMIS system, they will fall from 75% Federal Payment to 50% Federal Payment. The Department has spent a substantial amount of money to get to where we are today and have converted part of the system already and is ready to convert the rest of the system. The 1<sup>st</sup> phase of MMIS was started in January 2010. There was an issue pertaining to payments but that has been corrected. IBES has also gone live and the interface between the two systems has gone smoothly. IBES first year is considered a trial period and contributed to part of the difficulties.

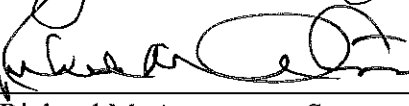
- **Medically Indigent** – Target is \$135,000. The Department was asked last year to develop a Combined Application for the Medically Indigent Fund.
- **Support Services** – Target is \$627,100. Most of the reductions in Support Services were a One-Time reduction. The budget here is very heavy in personnel. About 22 people were laid off in this division in various locations. IT was protected due to the new implementations and technologies coming up. Also this division had some one time capital money that is being reverted. Additional layoffs will be required to meet 2010 budget requirements. Any additional funds remaining will be used to assist the IT division to strengthen their division for upcoming services that will be needed.
- **Division of Behavioral Health** – Target is \$2,117,500. Primary savings in this division was not filling positions. Other savings from the hospitals perspective will come when discharging the patient into the community, they will not be sent out with prescription medication. This means there will need to be better coordination between who ever discharge the patient and who they are likely to end up with. The challenge for individuals being discharged from the State Hospital into the community will no longer likely have mental health services supported so they will end up in a primary care setting where the medications will be supported.


#### ADJOURNMENT

The next meeting of the Board of Health and Welfare is scheduled to be held May 20, 2010. There being no further business to come before the Board, Chairman Roberge adjourned the meeting at 11:30 a.m.

Respectfully signed and submitted by:

 for Richard Roberge  
Richard T. Roberge, M.D., Chairman

  
Richard M. Armstrong, Secretary

  
Betty J. Mills, Special Assistant